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BACKGROUND NOTE

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Funding the National Plan for School Improvement: an explanation

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List of acronyms

ATSI	Aboriginal and Torres Strait Islander
COAG	Council of Australian Governments
COPEs	Commonwealth own-purpose expenses
DEEWR	Department of Education, Employment and Workplace Relations
IGA	Intergovernmental Agreement on Federal Financial Relations
NEA	National Education Agreement
NERA	National Education Reform Agreement
NP/s	National Partnership/s
NPSI	National Plan for School Improvement
SES	socioeconomic status
SPP	specific purpose payment
SRS	Schooling Resource Standard
SWD	students with disabilities

Introduction

If agreed to by all states and territories, the new school funding model that will resource the National Plan for School Improvement (NPSI) will give effect to the major recommendation of the final report of the Review of Funding for Schooling (the Gonski Review).¹ The model will create a national approach to school funding by adopting a needs-based Schooling Resource Standard (SRS) that will apply to all school students, irrespective of whether they attend government or non-government schools.

The funding arrangements and formulae that underpin the NPSI funding model are complex and difficult to understand fully. This is partly because at the time of writing, not all state and territory governments have agreed to sign the National Education Reform Agreement (NERA) that would implement the NPSI.² At this stage, the Australian Capital Territory, New South Wales and South Australia are the only jurisdictions to have signed the NERA.³

The Government has set a deadline of 30 June 2013 for states and territories to sign the NERA. The Government has stated that those states and territories that do not enter into the NERA will continue to be funded by the Australian Government under a modified version of its current system of funding.⁴

Non-government schools are not party to the NERA. They will have to commit to the NPSI through memorandums of understanding that will set out their implementation plans. There is not an option for non-government schools to continue to receive funding under the current arrangements.

Most of the reforms will be implemented under a new *Australian Education Act 2013*. The *Australian Education Act 2013* will appropriate the funds for Australian Government funding for schools, subject to agreements being reached.⁵ However, as with the NERA, there is still some detail related to the proposed legislation to be finalised. Some education funding will still be provided through annual appropriations and under the *Federal Financial Relations Act 2009* (as amended).

On the basis of information that is currently available, this Background Note provides an explanation of the NPSI school funding model, including the new funding that will be provided to participating education systems and schools and the Australian Government's funding for schools. It does not examine the NPSI's education reform strategy.

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1. Review of Funding for Schooling Expert Panel, [Review of Funding for Schooling: final report](#), Department of Education, Employment and Workplace Relations (DEEWR), Canberra, 2011, accessed 18 June 2013.
 2. Council of Australian Governments (COAG), [National Education Reform Agreement](#), COAG, 2013, accessed 18 June 2013.
 3. Ibid.
 4. For further information about the current funding system, see: M Harrington, [Australian Government funding for schools explained](#), Background note, Parliamentary Library, Canberra, 8 March 2013, accessed 18 June 2013.
 5. Parliament of Australia, ['Australian Education Bill 2013 homepage'](#), Australian Parliament website, accessed 18 June 2013; and Australian Education Regulation 2013: Exposure Draft. Note: the Bill, when first introduced, was titled the Australian Education Bill 2012. However, the amendments to the Bill introduced on 4 June 2013 triggered a 'new significant version of the Bill' and it was subsequently retitled, Advice, House of Representatives Table Office.

The National Plan for School Improvement

The NPSI will be implemented from 1 January 2014. It includes national goals for the Australian school education system, an education reform strategy to achieve those goals and a new school funding model, based on a national Schooling Resource Standard, to resource Australian schooling.⁶

For government schools, the NPSI will be established by a heads-of-government agreement—the NERA—and by bilateral agreements between state and territory governments and the Australian Government. Non-government school education authorities will commit to the NPSI through memorandums of understanding that will set out their implementation plans.

The Schooling Resource Standard

The Schooling Resource Standard (SRS) is the benchmark that forms the centrepiece of the NPSI's new national needs-based school funding model. The SRS takes into account 'the specific circumstances of students, individual schools and systems'. According to the NERA, it is 'an important way to minimise disadvantage and to facilitate a high quality education for every student in every school'.⁷ The aim is for all schools to be at least funded at 95.0 per cent of their SRS benchmark by 2019.⁸

The SRS benchmark comprises a per-student funding amount (base amount) and loadings to meet the additional needs of disadvantaged students and schools. It takes into account all Australian Government funding, state and territory government funding and a notional contribution per student by non-government schools as measured by their 'capacity to contribute'.⁹

The SRS benchmark will be indexed by 3.6 per cent each year.¹⁰ The proposed value of the indexed SRS benchmark in each of the transition years until full implementation in 2019 will eventually be published in Schedule A of the NERA.

Per student funding amount

As specified in the NERA, the per-student funding amount 'represents the recurrent resources required to support a student with minimal educational disadvantage'.¹¹ The NERA explains the calculation:

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6. For information about the entire National Plan for School Improvement, see: Australian Government, [Better Schools: the National Plan for School Improvement website](#), accessed 19 June 2013.
 7. COAG, op. cit., p. 17.
 8. P Garrett, 'Second reading speech: Australian Education Bill 2012', House of Representatives, *Debates*, 4 June 2013, accessed 19 June 2013.
 9. COAG, op. cit., p. 18.
 10. COAG, op. cit., p. 29.
 11. COAG, op. cit., p. 27.

This is calculated on a standard of school effectiveness and efficiency based on schools that meet a demanding student outcome benchmark at a lower than average cost. Reference schools are those where at least 80 per cent of the students exceed the national minimum standard in reading and numeracy under NAPLAN across three years ...¹²

According to advice provided in Senate estimates hearings in June 2013, there were about 1,600 schools that met these criteria.¹³

The per-student funding amounts for 2014 are \$9,271 per primary school student and \$12,193 per secondary school student. These amounts will be indexed by 3.6 per cent each year.¹⁴

The per-student funding amounts for government school students will be fully government funded.

Non-government schools

The government contribution to the-per student funding amounts for most non-government schools will be adjusted according to a measure of a school's 'capacity to contribute'. The measure is based on a school's socioeconomic status (SES) score that takes into account parent contributions and other sources of private income. A minority of non-government schools, such as special schools, will be exempt from the 'capacity to contribute' requirement (see below for details).

Each non-government school will be assigned an SES score using the same methodology used under the Australian Government's current SES system for funding non-government schools. The SES score will be calculated by linking student residential addresses to the SES dimension scores for education, family income, household income and occupation of the Statistical Area Level 1 in which the residential address is located, to arrive at a proxy for the SES of each student's household.¹⁵ As with the current SES system, it will not measure the actual levels of education, income or occupation in each student's household.

A non-government school's SES score determines its capacity to contribute as a percentage of the per-student funding amount:

- those non-government schools with the lowest SES scores (93 or less) will be deemed to contribute 10 per cent of the per student funding amounts for primary and secondary students
- those non-government schools with the highest SES scores (125 or greater) will be deemed to contribute 80 per cent of the per student funding amounts and
- for those non-government schools with an SES score between 93 and 125, the capacity to contribute will range along a continuum between 10 per cent and 80 per cent of the per-student

12. Ibid.

13. Senate Education, Employment and Workplace Relations Legislation Committee, [Proof committee Hansard](#), 5 June 2013, p. 72, accessed 18 June 2013.

14. [Australian Education Bill 2013](#), proposed subsection 34(3), accessed 18 June 2013.

15. Australian Education Regulation 2013: Exposure Draft, section 20, unpublished.

amount. The percentage amounts in between the two end points, however, will be different for primary and secondary schools with the same SES score.¹⁶

Information about the updated 2013 SES scores for individual non-government schools is not yet available.

Schools exempt from the ‘capacity to contribute’ requirement

Certain categories of non-government schools will be exempt from the capacity to contribute requirement and their per-student funding amounts will be fully government funded. These schools are:

- special schools—schools that cater for students with disabilities
- Special Assistance Schools—schools that cater for students with social, emotional or behavioural difficulties
- majority Aboriginal and Torres Strait Islander (ATSI) schools—schools with 80 per cent or more ATSI student enrolments or, for very remote schools or schools with students from very remote areas, 50 per cent or more ATSI enrolments and
- sole-provider schools—schools in remote or very remote areas or with students from these areas that are located more than 25 kilometres from another school that provides the same level of education.

Loadings for disadvantage

There are six loadings which will be added to the base SRS amount to meet the additional needs of disadvantaged students and schools:

- students with disability (SWD)
- Aboriginal and Torres Strait Islander (ATSI) students
- low socioeconomic status students
- low English proficiency students
- school location and
- school size.¹⁷

16. [Australian Education Bill 2013](#), proposed section 54, accessed 18 June 2013.

17. For further information, see: Australian Government, ‘[Loadings for extra support](#)’ and ‘[School size and location](#)’, Better Schools: the National Plan for School Improvement website, accessed 19 June 2013.

Each of these loadings has a particular funding formula. The indexation rate for the school size loading will be 3.6 per cent.¹⁸ There is not an indexation figure specified for the four student-related loadings and the school location loading. However, the formulae to calculate the student-related loadings and the school location loading include the per-student funding amounts. Therefore, in effect, the 3.6 per cent indexation rate for the per-student amounts will apply to the related part of the calculation for each of these loadings.

The SWD loading has not been finalised. It will be phased in from 2015. To provide support for SWD until then, an interim loading has been devised and the Australian Government has extended the More Support for Students with Disability National Partnership by providing an additional \$100 million in 2014.¹⁹ Students with disability attending special schools will also benefit from \$76 million in additional funding over the next six years. This will be over and above the increased funding these schools may receive under the funding formula.²⁰

The funding that will be provided by the ATSI loading is an estimated \$5.5 billion over six years, supporting 'around 200,000 students in about 8000 schools'.²¹ It is estimated that the location loading will provide \$8.5 billion and the size loading will provide \$5.4 billion from 2014 to 2019.²² Estimates for the other loadings are not publicly available at present.

The loadings will be fully government funded for all eligible students, regardless of the school they attend, and in the case of the school location and school size loadings, for all eligible government and non-government schools.

Funding arrangements

Baseline funding

Under the NERA, governments will commit to maintaining their 'baseline' (existing) recurrent funding levels indexed by an agreed percentage.

The baseline recurrent funding is the school-level 2011 recurrent income of schools as recorded on the *My School* website projected at an agreed rate to a 2014 amount.²³

The Australian Government will index its baseline recurrent funding amount by 4.7 per cent.²⁴ Those state and territory governments that have so far signed the NERA have agreed to a 3.0 per cent

18. [Australian Education Bill 2013](#), proposed section 54, accessed 18 June 2013.

19. Australian Government, '[Loadings for extra support](#)', op. cit.

20. J Gillard (Prime Minister), P Garrett (Minister for School Education, Early Childhood and Youth) and J Collins (Parliamentary Secretary for School Education), '[\\$76 million for students with disability in special schools](#)', media release, 3 June 2013, accessed 25 June 2013.

21. P Garrett (Minister for School Education, Early Childhood and Youth), '[Indigenous students benefit under National Plan for School Improvement](#)', media release, 26 May 2013, accessed 22 June 2013.

22. P Garrett (Minister for School Education, Early Childhood and Youth), '[Regional schools \\$6 billion winners under National Plan for School Improvement](#)', media release, 30 May 2013, accessed 22 June 2013.

23. COAG, op. cit., p. 19.

indexation rate for their baseline recurrent funding contributions. This was a condition of the Australian Government's original offer to the states and territories.²⁵

Additional funding

In addition to maintaining their baseline recurrent funding with indexation, all governments that are party to the NERA will contribute an additional amount to ensure that all schools are at least funded at 95.0 per cent of their SRS by 2019.²⁶ The total additional amount is the difference between the projected total SRS amount for 2019, including the amount represented by non-government schools' capacity to contribute, and the projected total Australian and state and territory government baseline recurrent funding for 2019.²⁷

The Australian Government's original additional funding proposal was \$14.5 billion plus indexation, of which the Australian Government would contribute 65.0 per cent (an estimated \$9.4 billion) and state territory governments 35.0 per cent.²⁸ Under existing arrangements, the Australian Government provides just under one-third of total government recurrent expenditure on schools.²⁹ As a result of negotiations and further offers, as summarised in Box 1, the total additional amount is now \$15.9 billion. If the terms of the original offer remain, the Australian Government will contribute an estimated \$10.3 billion of the additional funding.

The Minister for School Education, Peter Garrett, has also released information showing NPSI funding for individual government schools in Queensland, Tasmania, Victoria and Western Australia.³⁰

Transition arrangements

The additional funding will be phased in over six years from 2014 to 2019. The transition arrangements for each state and territory will be finalised through the bilateral agreements.

If the states and territories follow the funding plan set out in the federal budget, most of the additional funding will be provided in the last two years of the transition period; the 2013–14 Budget

24. [Australian Education Bill 2013](#), proposed subsection 60(2), accessed 18 June 2013; Department of Education, Employment and Workplace Relations (DEEWR) briefing.

25. J Gillard (Prime Minister) and P Garrett (Minister for School Education), [Resourcing all our kids, classrooms and teachers for the future](#), media release, 14 April 2013, accessed 9 June 2013.

26. P Garrett, 'Second reading speech: Australian Education Bill 2012', op. cit.

27. DEEWR private briefing, 12 June 2013.

28. J Gillard (Prime Minister) and P Garrett (Minister for School Education), *Resourcing all our kids*, op. cit., COAG, op. cit., p. 19.

29. M Harrington, *Funding for schools explained*, op. cit., p. 30.

30. P Garrett (Minister for School Education), [Funding figures show how much public funding Qld, WA and Vic government schools could get under the National Plan for School Improvement](#), media release, 20 June 2013, accessed 21 June 2013. Note: to access the search engine for individual schools it is necessary to access the media release on DEEWR website. J Gillard (Prime Minister) and P Garrett (Minister for School Education, Early Childhood and Youth), [New figures reveal all Tasmanian schools will get a funding boost](#), media release, 22 June 2013, accessed 23 June 2013. (Complete lists of these schools were released through newspaper websites.)

shows that only \$2.8 billion (28.6 per cent) of the Australian Government's original share of the additional funding (\$9.4 billion) will be provided from 2013–14 to 2016–17.³¹

Schools currently funded at their Schooling Resource Standard amount

Under the NERA, schools that are already funded at their SRS level or above will maintain their current level of funding with a smaller indexation rate than the general 3.6 per cent indexation rate for the SRS.³² These maintenance arrangements will continue until their SRS amount catches up with their actual funding level.

A school is considered as funded above its SRS amount if its 2011 net recurrent income per student, as recorded on the *My School* website, projected to a 2013 funding amount plus 3.0 per cent is greater than its assessed SRS amount for 2014.³³

The Australian Government has agreed to index the funding for these schools by 3.0 per cent.³⁴ State and territory governments will commit to similar maintenance arrangements.³⁵ The NERA, however, does not currently specify an index rate for state and territory governments. Once the negotiations are finalised, the indexation rate will be confirmed in the bilateral agreements with the Australian Government.³⁶

31. Australian Government, [Budget measures: budget paper no. 2: 2013–14](#), p. 120, accessed 17 May 2013

32. COAG, op. cit., p. 29.

33. [Australian Education Bill 2013](#), proposed section 61, accessed 18 June 2013.

34. COAG, op. cit.

35. Ibid.

36. Ibid.

Box 1. National Plan for School Improvement: additional funding, 2014–2019, \$million^(a)

	Original offer ^(b)	Current amount	Status	Source document (for current amount)
Australian Capital Territory	100	190	Accepted	J Gillard (Prime Minister), K Gallagher (ACT Chief Minister), P Garrett (Minister for School Education, Early Childhood and Youth) and J Burch (ACT Minister for Education and Training), ACT signs up to national education reforms , media release, 30 May 2013.
New South Wales	5 000	5 000	Accepted	J Gillard (Prime Minister), B O'Farrell (NSW Premier), P Garrett (Minister for School Education, Early Childhood and Youth) and A Piccoli (NSW Minister for Education), NSW first to sign up to national education reforms , media release, 23 April 2013.
Northern Territory	300	300	On offer	J Gillard (Prime Minister) and P Garrett (Minister for School Education, Early Childhood and Youth) and W Snowdon (Member for Lingiari), New data reveals funding boost for Territory schools , media release, 19 June 2013.
Queensland	3 800	3 800	On offer	J Gillard (Prime Minister) and P Garrett (Minister for School Education, Early Childhood and Youth), Funding details for all Queensland school sectors released , media release, 21 June 2013.
South Australia	600	1 100	Accepted	J Gillard (Prime Minister), J Weatherill (SA Premier), P Garrett (Minister for School Education, Early Childhood and Youth) and J Rankine (SA Minister for Education and Child Development), South Australia agrees to National Education Reform Agreement , media release, 14 June 2013.
Tasmania	400	400	On offer	J Gillard (Prime Minister) and P Garrett (Minister for School Education, Early Childhood and Youth), New figures reveal all Tasmanian schools will get a funding boost , media release, 22 June 2013.
Victoria	4 000	4 180	On offer	P Garrett (Minister for School Education, Early Childhood and Youth), New data reveals funding increases for Victorian schools , media release, 12 June 2013.
Western Australia	300	921	On offer	J Gillard (Prime Minister) and P Garrett (Minister for School Education, Early Childhood and Youth), New data shows West Australian schools funding boost , media release, 20 June 2013.
Total for all states and territories				
	14 500	15 891		
(a) As at 25 June 2013.				
(b) Source: J Gillard (Prime Minister) and P Garrett (Minister for School Education), Resourcing all our kids, classrooms and teachers for the future , media release, 14 April 2013 accessed 21 June 2013.				
Note: These figures are drawn from media releases and may not reflect the actual offers to the states and territories.				

Australian Government funding for schools

Most of the Australian Government's funding for schools, including the NPSI funding model for schools, will be provided through the *Australian Education Act 2013*. Other Australian Government funding for school education will be provided by National Partnerships (NPs) and the Australian Government's own school education programs, including Indigenous education programs. These other programs are mostly administered by the Department of Education, Employment and Workplace Relations (DEEWR).

Proposed Education Act

Legislative arrangements and agreements

If passed, the *Australian Education Act 2013* will:

- for those government school systems that enter into the NERA, replace the school funding arrangements currently legislated and provided through the *Federal Financial Relations Act 2009*, the Intergovernmental Agreement on Federal Financial Relations and the National Education Agreement
- for those government school systems not participating in the NERA, amend the current funding arrangements in the existing legislation and agreements mentioned above to provide a modified version of the current funding system and
- for non-government schools, replace the *Schools Assistance Act 2008*.

The proposed *Australian Education (Consequential and Transitional Provisions) Act 2013* will make the required amendments to the *Federal Financial Relations Act 2009* and the *Schools Assistance Act 2008*.³⁷

Under the new Act, all government and non-government school authorities will have to sign an agreement whereby they agree to implement the NPSI national school reform agenda and meet financial and other accountability requirements to receive Australian Government funding. State and territory governments will sign a bilateral agreement with the Australian Government and non-government school authorities will sign a Memorandum of Understanding. Formal agreements and conditions of funding are not new—they have always been a feature of the arrangements for Australian Government funding for schools.

37. For further information, see: Parliament of Australia, '[Australian Education \(Consequential and transitional Provisions\) Bill 2013 homepage](#)', Australian Parliament website, accessed 18 June 2013.

Implementation and improvement plans

All approved authorities, apart from those which are responsible for only one participating school, must have an implementation plan.³⁸ The revised Explanatory Memorandum to the proposed *Australian Education Act 2013* explains:

Implementation plans explain how the approved authority intends to implement the education reforms and must set out activities, programs and initiatives, including implementation milestones and timelines and mechanisms for measuring progress. Approved authorities must review plans and evaluate progress, and the implementation plan (and reports of reviews) must be published.³⁹

All schools are also required to have a School Improvement Plan.⁴⁰ In the case of independent non-government schools (that is, those where the authority only has responsibility for one school), the School Improvement Plan appears to fulfil the role of an agreement with the Australian Government.⁴¹

Funding provisions

The *Australian Education Act 2013* if enacted will appropriate an estimated \$104.3 billion from 2014 to 2019.⁴² This funding will provide:

- recurrent funding for government and non-government schools that will be participating in the NPSI funding arrangements
- recurrent funding for non-participating government schools that will be funded according to a modified version of the current funding system and
- capital funding, special circumstances funding and funding for non-government school authorities.

Recurrent funding for participating schools

Australian Government recurrent funding for participating schools will be provided according to the NPSI funding arrangements described above.

Recurrent funding for non-participating schools

A modified version of the current system of funding will be used to provide recurrent funding to non-participating schools.

38. [Australian Education Bill 2013](#), proposed sections 97 to 106, accessed 18 June 2013.

39. [Revised Explanatory Memorandum](#), Australian Education Bill 2012, p. 6, accessed 21 June 2013.

40. [Australian Education Bill 2013](#), proposed subparagraph 77(d)(ii), accessed 18 June 2013.

41. DEEWR briefing, op. cit.

42. [Revised Explanatory Memorandum](#), op. cit., p. 7, accessed 21 June 2013.

Only government schools can be non-participating schools. Although not participating in the NPSI funding arrangements, non-participating state and territory governments will have to agree to 'implement national policy initiatives for school education in accordance with the regulations' to receive Australian Government funding.⁴³ Presumably this means the NPSI education reform strategy.

Funding for non-participating schools will be provided through a national specific purpose payment (SPP). The SPP will be based on the current system of funding as provided by the *Federal Financial Relations Act 2009*, including the Intergovernmental Agreement on Federal Financial Relations (IGA) and the National Education Agreement (NEA).⁴⁴ However, there will be some changes.

The new SPP for non-participating states and territories will be provided on a calendar year basis, whereas current funding is on a financial year basis. Therefore, the initial SPP for 2014 will be determined by the average of the total SPP funding that the non-participating states and territories would receive in 2012–13 and 2013–14 under the current system, plus indexation.⁴⁵

The current indexation system (Average Government School Recurrent Costs) will no longer apply. However, the new indexation rate has not been determined. It will be a matter for ministerial determination.⁴⁶

The Minister will also determine how the total amount of the new SPP will be apportioned to the non-participating states and territories if there is more than one non-participating jurisdiction.⁴⁷

In determining the indexation rate and the distribution of the SPP, the Minister must have regard to the terms of the IGA and the NEA.⁴⁸ Presumably these arrangements are on hold pending the outcome of the remaining negotiations with state and territory governments.

Non-participating schools will not be eligible to receive the additional funding on offer through the NPSI. They will be eligible to receive the funding provided by the ongoing NPs and presumably, the funding provided by some of the Australian Government's other school education programs described below.

To receive Australian Government funding, non-participating schools will still have to sign an agreement to receive funding. The IGA and the NEA which set out the arrangements and terms of the current system of funding will be amended to reflect the new arrangements. Under these arrangements, non-participating states and territories will have to agree, in effect, to implement the NPSI's education reform strategy.

43. [Australian Education Bill 2013](#), proposed section 22, accessed 18 June 2013.

44. [Australian Education Bill 2013](#), proposed sections 64 and 65, accessed 18 June 2013.

45. [Australian Education Bill 2013](#), proposed section 65, accessed 18 June 2013.

46. [Australian Education Bill 2013](#), proposed subsection 65(3), accessed 18 June 2013.

47. [Australian Education Bill 2013](#), proposed subsection 65(7), accessed 18 June 2013.

48. [Australian Education Bill 2013](#), proposed subsection 65(8), accessed 18 June 2013.

Capital funding, special circumstances funding and funding for non-government representative bodies

Capital grants

The capital grants program for non-government schools that currently exists under the *Schools Assistance Act 2008* will continue with the same arrangements.⁴⁹ The funding for this program will be provided through the standing appropriation of the *Australian Education Act*.⁵⁰

The *Australian Education Act* provides for capital funding to be provided to capital grants authorities.⁵¹ This provides the option for the Australian Government to reintroduce capital grants funding to government schools. When the current National Schools SPP for government schools was introduced in 2009, the previous SPPs for government schools, including capital grants, were combined into an agreed base amount and no longer existed as separate programs.⁵² The funding for these new capital grants will be provided by annual appropriations as part of the budget processes.⁵³

Special circumstances funding and funding for non-government representative bodies

The proposed *Australian Education Act* 'maintains the current arrangements for short-term emergency assistance for (non-government) schools'.⁵⁴ It also provides for financial assistance for a non-government representative body that represents the interests of non-government schools.⁵⁵ These grants will be a ministerial determination in accordance with the Act's regulations. The funding for both will be provided by annual appropriations.

Other funding

In addition to funding provided through the *Australian Education Act*, the Australian Government will continue to provide other funding for school education through NP and annual appropriations.

National Partnerships

Additional funding for participating and non-participating government schools and for non-government schools will be provided through continuing NPs.⁵⁶

49. [Australian Education Bill 2013](#), proposed sections 67 to 68, accessed 18 June 2013. See also: DEEWR, '[Capital Grants Program for non-government Schools](#)', DEEWR website, accessed 22 June 2013.

50. [Revised Explanatory Memorandum](#), op. cit., p. 4.

51. [Australian Education Bill 2013](#), proposed subsection 67(1), accessed 18 June 2013.

52. M Harrington, *Funding for schools explained*, op. cit., p. 4.

53. [Revised Explanatory Memorandum](#), op. cit.,

54. See: DEEWR, '[Short Term Emergency Assistance for Schools](#)', DEEWR website, accessed 22 June 2013.

55. [Australian Education Bill 2013](#), proposed section 69, accessed 18 June 2013.

56. For information about all NPs, see: Australian Government, [Australia's federal financial relations: budget paper no. 3: 2013–14](#), pp. 51–64, accessed 21 June 2013.

The two main school-related NPs administered by DEEWR, excluding the education components of the Stronger Futures in the Northern Territory NP, which will continue after 2013, are:

- [More Support for Students with Disabilities](#): as previously mentioned funding has been extended pending the finalisation of the SWD loading for disadvantage⁵⁷ and
- [Trade Training Centres in Schools](#): \$2.5 billion from 2008 to 2018 is being provided to build new, or upgrade existing trade facilities in schools.⁵⁸

Five other NPs that were scheduled to continue beyond 2013 have, as the result of savings measures in the 2013–14 Budget, been terminated.⁵⁹ Their funding (totaling \$2.1 billion) will be ‘redirected’ to the NPSI. These NPs include: Low Socio-economic Status School Communities, Empowering Local Schools, Literacy and Numeracy, Rewards for Great Teachers and Rewards for School Improvement.⁶⁰

Other school education programs

The Australian Government will continue to provide funding through other school education programs that are known as ‘Commonwealth own-purpose expenses’ (COPEs). Most of these are administered by DEEWR and are funded by annual appropriations.⁶¹ Examples include:

- Grants and awards
- Maths and Science Participation
- National Trade Cadetships and
- the Quality Outcomes Program, elements of which include Schools National Projects, Community Festivals, Parliament and Civics Education Rebate, the Australian Government Quality Teacher Program, civics and citizenship education, the Australian Institute for Teaching and School Leadership and the Australian Curriculum Assessment and Reporting Authority.⁶²

Presumably, non-participating government schools will continue to have access to the resources provided by these programs.

57. DEEWR, ‘[More Support for Students with Disabilities](#)’, DEEWR website, accessed 21 June 2013.

58. DEEWR, ‘[Trade Training Centres in Schools Program](#)’, DEEWR website, accessed 21 June 2013.

59. M Harrington, ‘[School education: the National Plan for School Improvement](#)’, *Budget review 2013–14*, Research paper, 3, 2012–13, Parliamentary Library, Canberra, 2013, accessed 21 June 2013.

60. Ibid.

61. For a full list of these programs and a brief description, see: Australian Government, [Portfolio budget statements 2013–14: budget related paper no. 1.5: Education, Employment and Workplace Relations portfolio](#), pp. 52–5, accessed 21 June 2013.

62. Senate Standing Committee on Education, Employment and Workplace Relations, Answers to Questions on Notice, Education Portfolio, Supplementary Budget Estimates, 2012–13, 17 and 18 October 2012, [Question EW051813](#), accessed 21 June 2013.

Indigenous education programs

The Australian Government provides other funding for Indigenous school education programs through the *Indigenous Education (Targeted Assistance) Act 2000* and annual appropriations.⁶³ This funding includes the initiatives under the Stronger Futures in the Northern Territory NP.

Conclusion

There still remains some significant detail about the NPSI and other arrangements for funding schools into the future that will not be known until the Australian Government's negotiations with the remaining non-signatory state governments and the Northern Territory Government are finalised. This detail includes the Australian Government's percentage share of the full SRS, the transitional funding arrangements, individual non-government schools' capacity to contribute percentages as reflected by their SES scores and the SWD loading and some particulars relating to the funding of non-participating schools.

The future of the NPSI is also uncertain. The Opposition has signalled that, if elected, it will not commit to the NPSI's funding model unless all state and territory governments have agreed to it. If this is not the case, a Coalition Government will repeal the *Australian Education Act* and revert to the current system of funding for two years while it decides the future of school funding.⁶⁴ The Shadow Minister for Education, Christopher Pyne, believes that if the Coalition wins office, there would be time to repeal the legislation after the election and before the new funding arrangements are scheduled to commence on 1 January 2014.⁶⁵

The possibility of a constitutional challenge to the *Australian Education Act* has also been raised. If all states do not sign the NERA, some states will receive less Australian Government funding than others.⁶⁶ This may contravene section 99 of the *Constitution* which provides: 'The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or part thereof over another State or part thereof'.⁶⁷

The Australian Government is intensifying its efforts to convince the remaining states and the Northern Territory to sign the NERA. There is almost a daily release of new announcements extolling the benefits of the NPSI and the funding that will be provided. While there are indications that some

63. For further information, see: DEEWR, '[Indigenous schooling](#)', DEEWR website, accessed 21 June 2013; and M Harrington, [Indigenous Education \(Targeted Assistance\) Amendment Bill 2013](#), Bills digest, 113, 2012–13, Parliamentary Library, Canberra, 2013, accessed 21 June 2013.

64. C Pyne (Shadow Minister for Education, Apprenticeships and Training), [Doorstop: education funding; Labor division and dysfunction; Holden car manufacturing](#), transcript, 14 June 2013, accessed 21 June 2013.

65. J Mather and L Tingle, '[Coalition to repeal Gonski by new year](#)', *The Australian Financial Review*, 13 June 2013, p. 8, accessed 21 June 2013.

66. '[The Australian Education Act \(2013\) may be unconstitutional](#)', *Inside Canberra*, 66(21), 21 June 2013, p. 1, accessed 24 June 2013.

67. [Australian Constitution](#) section 99, accessed 26 June 2013.

states may relent, others seem unlikely to sign by the deadline of 30 June. If this is the case, the Gonski Review's goal to create a national system of funding may not be realised.

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